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Written Testimony **IN FAVOR OF BILL No. 306** **(RAISED)** **AN ACT CONCERNING EXECUTIONS ON** **JUDGMENTS**

Cheryl diane Feuerman, March 14, 2012

I am a staff attorney with Connecticut Legal Services, Inc. and work within our Consumer Law Project for Elders. The Consumer Law Project for Elders provides free legal assistance to seniors' throughout the State of Connecticut who have consumer problems. Over the past 10 years the Consumer Law Project for Elders has helped thousands of seniors with their consumer problems. I am testifying today in favor of Bill No. 306, An Act Concerning Executions on Judgments.

Many of the consumer problems we see involve a Connecticut senior in over her head with debt. Such debt may lead to suit, judgment and, finally, a bank execution. The majority of seniors we assist rely on exempt income sources, like Social Security Retirement benefits, Social Security Disability and/or a pension. Current law (CGS 52-367b) protects up to one thousand dollars of readily identifiable exempt benefits that were direct deposited within the 30 day period before the execution was served. Despite our State law, many national financial institutions improperly garnish the protected income of Connecticut residents.

In May 2011, Section 12 was added to Title 31 of the Code of Federal Regulations. This section, entitled "Garnishment of Accounts Containing Federal Benefit Payments," implements statutory provisions that protect Federal benefits from garnishment by establishing procedures that a financial institution must follow when served a garnishment order against an account holder into whose account a Federal benefit payment has been directly deposited.

Simply put, 31 CFR Section 12 protects from garnishment up to 60 days of exempt benefits that are directly deposited in an account. In addition, Section 12 requires financial institutions to provide a detailed notice to any account holder for whom it has received a garnishment order. Section 12 also prohibits financial institutions from collecting a

garnishment fee from a judgment debtor whose funds are exempt and prohibits the same execution from being served a second time on the same financial institution. Bill No. 306 makes changes to CGS 52-367b to conform with the requirements of 31 CFR 212.

Finally, Bill No. 306 clarifies sections of 52-367b. It includes unemployment and workers compensation benefits as protected benefits pursuant to 52-352b and sets forth that judgment debtors are free to raise a claim of exemption even after funds have been paid out pursuant to 52-350d.

I strongly urge you to support **BILL No. 306 AN ACT CONCERNING EXECUTIONS ON JUDGMENTS.**

Thank you for your consideration.

Cheryl diane Feuerman

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